

MORTGAGE ON TANK CARS

RECORDATION NO. 8319 Filed & Recorded

MAY 10 1976 4 40 PM

~~INTERSTATE COMMERCE COMMISSION~~

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the undersigned Mortgagor, PETROLEUM EQUIPMENT COMPANY, a partnership consisting of JOHN L. PRICE and LOWRY MCKEE, general partners, of Tulsa, Oklahoma (as successor to and assignee of Captain Equipment Co., Inc., a corporation, PETROLEUM EQUIPMENT COMPANY being hereinafter sometimes referred to as "Mortgagor"), has this day borrowed from UTICA NATIONAL BANK & TRUST COMPANY, Tulsa, Oklahoma (hereinafter sometimes referred to as "bank"), the sum of One Hundred Fifty Thousand and no/100 Dollars (\$150,000.00), and to evidence its obligation therefor has made, executed and delivered to UTICA NATIONAL BANK & TRUST COMPANY its promissory note of even date herewith in the principal amount of One Hundred Fifty Thousand and no/100 Dollars (\$150,000.00), with interest on the unpaid balance at the rate of seven and one-half percent (7-1/2%) per annum, principal and interest being payable in fifty-nine (59) consecutive monthly installments of Three Thousand Five and 70/100 Dollars (\$3,005.70) each, with the first installment being due and payable on June 1, 1976, and with a sixtieth and final installment of unpaid principal, together with interest, being due and payable on May 1, 1981, which note contains a provision for payment of an attorney's fee of Ten and no/100 Dollars (10.00) and ten percent (10%) of the principal and interest due thereon in case said note is collected by or through an attorney.

NOW, THEREFORE, in consideration of the premises and to secure the prompt and punctual payment of the note above described, payable to the order of said bank, as aforesaid, and any note or notes which may hereafter be given by the undersigned payable to the order of said bank prior to the release of this mortgage, and of each and every installment of principal and interest of said

note and of any extensions or renewals from time to time of any of said notes, or any installment thereof, Mortgagor does hereby mortgage, assign, transfer, set over and convey unto the said Utica National Bank & Trust Company, its successors and assigns, all and singular the following described property of the undersigned, to-wit:

Fifteen (15) Tank Cars, described as DOT  
(Department of Transportation) Class 114A  
400-W, 33,500 gallons capacity, Serial  
Numbers SUNX 33,500 through 33,514, inclusive,

together with all fittings and appliances now or hereafter connected therewith, and any replacements of any parts thereof or additions thereto.

TO HAVE AND TO HOLD said property hereby granted, transferred, assigned and mortgaged unto said Utica National Bank & Trust Company, its successors and assigns, forever, free and clear of all encumbrances of whatsoever kind or character, and the undersigned Mortgagor does hereby covenant and agree with said Utica National Bank & Trust Company, its successors and assigns, as follows:

FIRST: That the undersigned Mortgagor is the owner and legally in possession of each and all of said tank cars, and that there are no encumbrances or liens of any kind or character against any of said property except that certain Master Tank Car Lease covering the operating, leasing and handling of said tank cars above described between Captain Equipment Co., Inc., an Oklahoma corporation, Lessor, and Sunray DX Oil Company, a Delaware corporation, Lessee, dated the 30th day of November, 1966, (and specifically including, without limitation, all amendments to said Master Tank Car Lease, and Supplemental Lease Schedule No. Twelve, dated April 21, 1976, and executed by Mortgagor, as successor to and assignee of Captain Equipment Co., Inc., and

by Sun Oil Company of Pennsylvania, successor to Sunray DX Oil Company), and that the undersigned has good right and lawful authority to transfer, convey, assign and mortgage the same; that the residence and office of the undersigned Mortgagor is at Tulsa, Oklahoma;

SECOND: That Mortgagor will not voluntarily create or suffer to be created or to arise any lien or charge upon any of the property described herein and mortgaged hereby having priority to or preference over the lien of these presents upon said mortgaged property, or any part thereof; that Mortgagor will pay all lawful claims and demands of all persons whomsoever which, if unpaid, might by law be given preference as to this mortgage as a lien or charge upon said mortgaged property, or any part thereof;

THIRD: That Mortgagor will at all times during the time this mortgage is in force and effect keep all said tank cars in first-class condition and repair;

FOURTH: That Mortgagor will forthwith cause to be painted upon the sides of each of said cars, in letters not less than one inch in height, the words "Utica National Bank & Trust Company, Mortgagee", so located as to be readily visible and to indicate plainly that said cars are mortgaged to bank, and will, at Mortgagor's own cost, cause said markings to be maintained so long as this mortgage remains in force and effect; and Mortgagor further covenants that the markings upon said cars, above described, indicating the name of the owner and the numbers thereof, shall not be changed without the previous written consent of the bank, and shall be maintained by Mortgagor at its own cost, so that the same shall be plainly visible so long as this mortgage remains in force and effect;

FIFTH: That Mortgagor will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon any part of said mortgaged property, as well as any demurrage or freight charges against the same, so that the priority of this mortgage shall be fully preserved in respect to said property;

SIXTH: That Mortgagor will exercise all reasonable care in the protection and possession of said property so long as said indebtedness remains unpaid, and that the property so mortgaged and pledged by this instrument shall not, during such time, be sold, encumbered, or otherwise disposed of;

SEVENTH: That if default be made in the payment, when due, of any installment of principal or of interest of any note secured hereby, or if Mortgagor should fail to observe or perform any of the covenants or agreements herein contained, or in any other mortgage securing any of the indebtedness secured hereby, or if any proceeding be commenced by or against Mortgagor for the adjudication of Mortgagor, or either of its partners, as a bankrupt, or for any other relief of Mortgagor, or either of its partners, as debtors under the Code of Bankruptcy, or if a receiver be appointed for a substantial portion of the property of Mortgagor, or either of its partners, or if any of the mortgaged property be levied upon or attached and the same is not within five (5) days thereafter released therefrom (all of which shall be deemed "events of default"), then in any such event all sums provided by said note or notes to be paid may, ~~at the option of the holder thereof,~~ and without notice to Mortgagor, become due and payable, and the bank shall thereupon be entitled to any or all of the following remedies, which shall not be exclusive, but shall be cumulative of any other rights or remedies at law or in equity which the bank may have, to-wit:

- (a) To demand within ten (10) days thereafter to receive from Mortgagor peaceable possession of all said tank cars at some place designated by the bank upon the tracks in Tulsa County, Oklahoma, Mortgagor agreeing that it will, at its own expense, within said ten (10) days, deliver possession of said cars to the bank at the place so designated, and in case of the failure of Mortgagor so to do, possession of said cars may be taken by the bank wherever the same may be found, and at the election of said bank may be removed by said bank to Tulsa County, Oklahoma, at the expense of Mortgagor, and for the purpose of having said cars removed to Tulsa County, Oklahoma, Mortgagor agrees that it will, upon demand, deliver to the bank or its assigns, possession of all records it may have, showing or tending to show the location of said cars, and said bank, by any of its officers, in the name of Mortgagor, may give any orders, directions, or instructions to any railroad company or other person, and may sign Mortgagor's name to any transfer, documents and agreements for the purpose of removing said cars, and may pay the expense of such removal and recover same from the proceeds of the sale of any of the mortgaged cars.
- (b) The bank, its agents, attorneys or representatives, shall have the right and power, with or without exercising any of the rights given in the preceding subsection, to sell at public auction, to the highest bidder, for cash, at one or more sales, all or any part of the mortgaged property, upon giving notice of the time and place thereof, by posting same at five (5) public places in the county in which such sale is to be held, at least ten (10) days prior thereto, one of which places shall be the place where such sale is to be held, or by giving notice at least ten (10) days before such sale, by publication thereof in a newspaper published at least weekly in such county, and of general circulation therein, and by giving such other notice as may be required by law at the place where such sale shall be held. Any such sale may be held at the courthouse door, or any place where sales at public auction are customarily held in any county in any state in which any of the property to be sold may at the time be located; or at the courthouse door in the County of Tulsa, State of Oklahoma. Notice to Mortgagor of any such sale shall be deemed to have been duly given if, not less than ten (10) days before the date of such sale, a copy of such notice shall be delivered to Mortgagor or mailed by ordinary mail addressed to Mortgagor at Tulsa, Oklahoma. It shall not be necessary that the bank, or the person conducting said sale, be in actual or constructive possession of said property at the time of such sale, or that the same be physically present at such sale, nor shall it be necessary, if said sale be held in Tulsa County, Oklahoma, that said property be actually present in the county of the state in which said sale is held; and the title

and right of possession to such property shall pass to the purchaser at such sale as completely as if said property had been actually present and delivered at such sale, and Mortgagor covenants and agrees to deliver all of such property to the purchaser within a reasonable time thereafter, and for that purpose to execute and deliver all proper instructions, orders, or documents to any railroad company, or other person, and such other and further assurances as may be proper or required; and such purchaser shall be entitled to exercise all the rights and privileges herein given to the bank in the preceding subsection (a) hereof for the recovery of possession of any of said cars. At any such sale, the bank, if the highest bidder therefor, may become the purchaser of any such property. The proceeds of any such sale shall be applied:

First: To the payment of all costs and expenses of such sale, including any expenses which may have been advanced or incurred by the bank in recovering possession or custody of, or in causing the return of said property to the place of sale, if any, together with an attorney's fee of Ten Dollars (\$10.00) and ten percent (10%) of the amount realized at such sale, as a fee for the foreclosure hereof.

Second: To the payment of the indebtedness secured by this mortgage, with interest and attorney's fees.

Third: Any excess shall be paid to Mortgagor or its assigns.

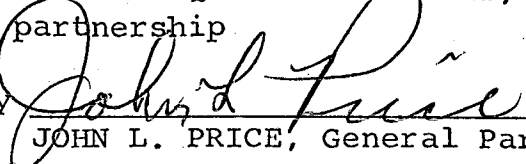
(c) The bank may proceed by action or actions in any court or courts of competent jurisdiction to foreclose this mortgage.

The provisions of this mortgage shall be binding upon the heirs, executors, administrators, representatives, successors and assigns of Mortgagor, and each of its partners, and shall inure to the benefit of the successors and assigns of the bank.


IN WITNESS WHEREOF, the undersigned, PETROLEUM EQUIPMENT COMPANY, a partnership consisting of JOHN L. PRICE and LOWRY MCKEE, GENERAL PARTNERS, has executed this instrument and delivered same this 1st day of May, 1976.

PETROLEUM EQUIPMENT COMPANY,  
a partnership

By

  
JOHN L. PRICE, General Partner

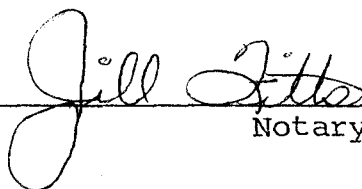
By

  
LOWRY MCKEE, General Partner

STATE OF OKLAHOMA     )  
                              )     ss  
COUNTY OF TULSA     )

Before me, the undersigned, a notary public in and for said County and State, on this 1<sup>st</sup> day of May, 1976, personally appeared JOHN L. PRICE, general partner in the partnership of Petroleum Equipment Company, to me known to be the identical person who executed the within and foregoing instrument on behalf of said partnership and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said partnership, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year above written.

  
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Notary Public

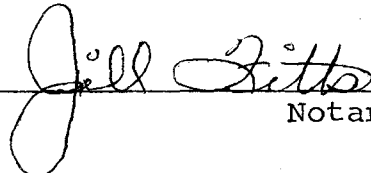
My Commission expires:

My Commission Expires Nov. 9, 1977

STATE OF OKLAHOMA     )  
                              )     ss  
COUNTY OF TULSA     )

Before me, the undersigned, a notary public in and for said County and State, on this 1<sup>st</sup> day of May, 1976, personally appeared LOWRY MCKEE, general partner in the partnership of Petroleum Equipment Company, to me known to be the identical person who executed the within and foregoing instrument on behalf of said partnership and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said partnership, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year above written.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

My Commission Expires Nov. 9, 1977